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## Options for improving the harmonized country programme approval process***

## I. Introduction

1. The Executive Boards of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA) and of the United Nations Children's Fund (UNICEF), in decisions 2005/28 and 2005/9, respectively, requested that a report, elaborated jointly, be presented for discussion at their annual sessions in 2006 on proposals to further improve the current harmonized country programme approval procedure. The Executive Board of the World Food Programme (WFP) also expressed the desire to continue to discuss simplification of the country programming process.

2. This paper responds to those decisions and to the 2004 triennial comprehensive policy review of operational activities for development of the United Nations system, especially paragraphs 49 and 50 of General Assembly resolution 59/250 of 22 December 2004. It presents options for modifications to the country programme approval process by the respective Executive Boards. It has been jointly elaborated by the Executive Committee of the United Nations Development Group (UNDG), in close consultation within the wider UNDG, including the specialized agencies. It has also benefited from feedback from Member States, including from the joint meeting of the Boards in January 2006 and several subsequent informal discussions.

* The submission of this document was delayed because of the need for extensive consultations between the four agencies and with the members of the Executive Boards.

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*** This document has been elaborated jointly by the secretariats of UNDP, UNFPA, UNICEF and WFP, and is being presented to the UNDP/UNFPA Executive Board as document DP/2006/34-DP/FPA/2006/12.

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3. The options presented in this paper for modifications to the country programme approval process should be considered in the context of ongoing discussions on United Nations system-wide coherence and more specifically on further simplifying and harmonizing the UNDG country programming procedures in the spirit of "one team, one leader and one programme". Discussions with Member States and lessons learned by United Nations country teams (UNCTs) indicate that improvements can be made, based on the principle of national ownership, through capitalizing on the strengths provided by the current United Nations Development Assistance Framework (UNDAF) process; and by enhancing the coherence between the collective United Nations contribution and those of individual United Nations organizations, including realizing the potential for joint initiatives and enhancing the delivery and effectiveness of development cooperation for development results.

4. This paper presents options for further improving the approval of country programmes by organizations' governing bodies, in response to the specific Board requests. Annex I presents the UNDG process for simplifying and harmonizing the United Nations programming process and documentation. Annex II provides an outline of the contents of a consolidated document at country level — the Consolidated UNDAF — which would reduce transaction costs and redundancies in current programme documentation while further strengthening the results focus as well as strengthening UNCT coherence in implementation to achieve the results. As with the present UNDAF, this document would be approved by the host country Government and UNCT members. Annex III contains a format for simplified presentation of organization-specific contributions to the Consolidated UNDAF. These agency-specific contributions would be reviewed and approved by the respective governing bodies, as is the case with the current country programme documents (CPDs).

## II. Principles

5. Member States and the development community at large have agreed on improving aid effectiveness through better alignment with national priorities and systems as articulated in General Assembly resolution 59/250 and the Paris Declaration on Aid Effectiveness. In addition, the Outcome Document of the 2005 World Summit "welcomed ... further aligning assistance with countries' strategies, building institutional capacities, reducing transaction costs and eliminating bureaucratic procedures, making progress on untying aid, enhancing the absorptive capacity and financial management of recipient countries and strengthening the focus on development results".[1]

6. The simplification and harmonization of the United Nations programming process must adhere to a clear set of principles that clarify results and define accountabilities. These principles are as follows:

(a) The overarching principle is national ownership and leadership of the process, its products and results. This includes aligning the United Nations programming process within national planning and programming processes;

(b) The primary principle is that the United Nations should make a collective, strategic contribution in response to national priorities, including the

[1] A/RES/60/1, paragraph 23 (c).

internationally agreed development goals and the Millennium Development Goals, and the overall purpose of simplification and harmonization is to enable the United Nations to unleash its substantive potential to support national priorities and to demonstrate its continuing relevance and effectiveness;

(c) Simplification and harmonization should not undermine participation, transparency or the consultative process at the national level, nor should they hinder accountability or the ability of organizations to report on results achieved and resources used;

(d) Simplification and harmonization should lead to a reduction in transaction costs for national partners and the UNCT;

(e) Simplification and harmonization of the programming process do not mean diluting the substantive contribution that the United Nations can make collectively or individually through its mandates and experience, international conferences and human rights conventions and treaties;

(f) Simplification and harmonization of the documentation process are intended to better enable UNCTs to work strategically, and should encourage active participation from all United Nations organizations, including non-resident agencies in the country concerned;

(g) Simplification and harmonization should not diminish the gains made in coordination and team spirit acquired to date through United Nations reform efforts. Indeed, they should foster further coherence and improved coordination.

## III. Options for country programme preparation and format

7. The harmonized country programme approval process aims to ensure the continuance of appropriate governing body review and approval of the respective United Nations organization's multi-year programme of cooperation in a given country, within the framework of the overall UNDAF, consistent with the multi-year funding framework or the multi-year strategic plan of the particular organization.

8. Currently, governing body members review organization-specific results and resources for each country through the draft CPDs. These documents are derived in varying degrees from the UNDAF but are usually prepared separately by each agency. Under the present proposals, the standard format used for governing body review and approval of agency programme contributions to the Consolidated UNDAF would be modified to achieve consistent alignment with the UNDAF and its implementation. These simplified formats would form part of an overall Consolidated UNDAF document, developed under national leadership.

9. Governing body members will continue to review, comment on and approve the organization-specific planned results and resources for the respective programme of cooperation in a particular country. They will do so primarily by reviewing and approving the agency's specific contribution to the Consolidated UNDAF, which will be included in Section C thereof (see Annex I). In reviewing the individual organization's component, they would also be able to refer to the Consolidated UNDAF itself, which will be posted in advance.

10. Under the modified approach, the full Consolidated UNDAF document would be signed by the Government, the Resident Coordinator and the UNCT members

following approval by the respective Boards of the agency-specific Section C. In case one or more Boards suggest modifications in the respective Section C, these suggestions would be considered by the country-level partners and modifications would be made to that section and/or to other components of the Consolidated UNDAF, subject to the agreement of the Government, as is currently the case.

11. In the exceptional case that an Executive Board does not approve an agency-specific Section C following the first review, the rest of the Consolidated UNDAF would proceed while further consultations on the agency-specific component take place. The agency would continue to cooperate in the country as a member of the UNCT on the basis of its earlier approved programme, which the Board would be requested to extend for the required time, according to current procedures, if approval of the new programme was not secured in time for the commencement of the new harmonized programme cycle.

12. The modified approach reduces redundancies in the results structure of the current process, strengthens national ownership in the implementation of the UNDAF and presents the most effective system for managing country programme preparation and approval. Such improvements respond to General Assembly resolution 59/250 of 22 December 2004 on the triennial comprehensive policy review and are necessary to further promote United Nations reform and harmonization.

13. It is proposed by the present report that, since the modified approach optimizes the simplification of the most important elements of UNDG procedures for country programming, it should be adopted by all countries developing and presenting new programmes for approval in 2007. The experience with this first year of adoption of the modified approach should then be assessed.

14. Another option, for countries presenting new programmes in 2007, is that Governments together with the respective UNCTs could decide whether they wished to "opt in" or not to the modified approach, that is to continue to use the present multiple document system. However, this alternative would have significant costs as it would entail the operation of parallel country programme preparation and approval processes, and would not fully realize the benefits of the modified approach which are described in this paper. Costs related to maintaining these two systems would include cost of developing and training in new guidance, a complicated support system to share experiences of the two systems, and two different formats for governing bodies to review and consider.

## IV. Options for approval of the organization-specific contribution to the Consolidated UNDAF

15. As under the current system of CPDs, in the modified approach recommended above, the organization-specific contribution to the Consolidated UNDAF (Section C) will normally be submitted for review as a draft to the Executive Boards at their annual session. Final approval of the organization-specific contributions of the United Nations common country programme will occur following any necessary and appropriate revisions made in consultation with the respective Government and with other national and United Nations partners, based on comments provided by Board members at the review stage.

16. Three options are put forward in respect of the harmonized mechanism to be used for the approval by the Executive Board of the revised organization-specific country programme document:

(a) Option A: *approval on the basis of electronic posting* of the revised programme document on the agency website, with notification to Board members of posting having been made, to take place automatically after a six-week period unless at least five Board members have notified the secretariat in writing of their wish for further formal discussions;

(b) Option B: approval as in the option above, but *also with a hard copy* of the revised programme document provided to each Board member by the secretariat, at the time of the electronic posting;

(c) Option C: following electronic posting and the provision to each Board member of a hard copy of the revised programme document, *approval on a no-objection basis at the next Executive Board session* following the session at which the draft programme document was reviewed; or, approval following further formal discussion at the next Executive Board session following the session at which the draft document was reviewed, in cases where at least five Board members have notified the secretariat in writing of their wish for further formal discussions.

## V. Draft decision

*The Executive Board,*

*Reiterating* the overarching principle of national leadership and ownership of United Nations multi-year programmes of cooperation at country level,

*Recalling* the need to further simplify the programme preparation process in order to enhance relevance, effectiveness and benefits for national development efforts of the collective collaboration of the United Nations system funds, programmes and agencies, working together synergistically based on their respective strengths, mandates and experience,

*Cognizant of* the ongoing high-level discussions on United Nations system-wide coherence,

*Emphasizing* the need to ensure an inclusive and transparent consultative process in programme preparation,

*Further emphasizing* that measures taken to achieve further simplification should lead to the reduction of the transaction costs of cooperation for national partners,

*Stressing* the importance of accountability of the United Nations agencies, funds and programmes and their ability to report on resources used and results achieved,

*Reaffirming* the need to ensure appropriate Executive Board review and approval of multi-year cooperation programmes, consistent with the multi-year funding framework or strategic plan of the particular agency, fund or programme,

*Noting with satisfaction* the continuing initiatives of the United Nations Development Group agencies to develop practical steps to further simplify the preparation process for United Nations country programmes of cooperation with national partners, and in particular the introduction of the Consolidated UNDAF document and of the use of a simplified results-based format and budget for agency-specific contributions thereto (as outlined in Annex III of documents E/ICEF/2006/12 and DP/2006/34-DP/FPA/2006/12)

*Decides* that:

1. Beginning in 2007, Governments of programme countries, together with the respective United Nations Country Team, would use [alternative: may opt to use, or not use] the modified approach for the development of new programmes of cooperation with United Nations agencies, including for the review and approval by the respective Executive Board of the agency-specific contributions to the UNDAF in the context of national priorities;

2. The UNDAF document will be made available to members of the Executive Board for information on the agency website, prior to the review and approval of the organization-specific contributions thereto;

3. Agency programmes will continue to be presented at the annual session of the Executive Board for review. However, where country-specific circumstances so require, programmes may be presented, on an exceptional basis, to the second regular session;

4. The process for the approval by the Executive Board of agency country programmes will be modified as follows:

[(a) {Option A:} approval on the basis of electronic posting of the revised programme document on the agency website, with notification to Board members of posting having been made, to take place automatically after a six-week period unless at least five Board members have notified the secretariat in writing of their wish for further formal discussions;

(b) {Option B:} approval on the basis of electronic posting of the revised programme document on the agency website, with notification to Board members of posting having been made, and the provision of a hard copy of the revised programme document by the secretariat to all Board members, to take place automatically after a six-week period unless at least five Board members have notified the secretariat in writing of their wish for further formal discussions;

(c) {Option C:} following electronic posting on the agency website, with notification to Board members of posting having been made, and the provision to each Board member of a hard copy of the revised programme document, approval on a no-objection basis at the next Executive Board session following the session at which the draft programme document was reviewed; or, approval at the next Executive Board session following the session at which the draft document was reviewed, following further formal discussion at the Executive Board, in cases where at least five Board members have notified the secretariat in writing of their wish for further formal discussions;]

5. The process of review and approval of agency country programme documents by Executive Board members will continue to aim to reinforce both national ownership and the accountability of the agency to its Executive Board, including by examining the coherence of the documents with the agency's organizational strategic plan;

6. Experience in the use of the modified approach will be assessed by the Board following the first year of operation.

# Annex I

## Further simplifying and harmonizing the UNDG programming process

### 1. Programme preparation

1. For country programmes to be approved in 2007 and initiated in 2008, countries would use the Consolidated UNDAF document and a modified format for submissions to the Executive Board. This Consolidated UNDAF will encompass and serve the different functions of the various current documents (UNDAF, UNDAF results matrix, CPDs and country programme action plans (CPAPs)). The document would consist of the following elements:

(a) Section A: A statement articulating the strategic role of the United Nations in support of national priorities and how the United Nations organizations will work synergistically to support that role. This refers to the entire United Nations system, including resident and non-resident United Nations organizations;

(b) Section B: A United Nations development assistance results matrix, a monitoring and evaluation matrix, and a summary budget;

(c) Section C: organization-specific results and resources contributing to the Consolidated UNDAF results framework. This refers to the UNDG Executive Committee agencies as well as to other United Nations organizations that may decide to adopt this format and approach. This section will be presented to the respective governing bodies for approval;

(d) Section D: Operational provisions and clauses for United Nations operations in the country, including any specific fiduciary arrangements for individual organizations vis-à-vis the national Government. This refers to the UNDG Executive Committee agencies, as well as to other United Nations organizations that may decide to adopt this format and approach.

2. The proposed outline of table of contents for the consolidated document is shown in Annex II, and the proposed outline of Section C covering the agency-specific results and resources is shown in annex III.

3. No new proposals are made with regard to the Common Country Assessment (CCA), which will continue to be undertaken according to existing procedure and policy.

#### Results expected from programme preparation

4. The use of the Consolidated UNDAF would seek to ensure:

(a) Appropriate national-level consultation, leadership, ownership and approval of the United Nations proposed multi-year programme of cooperation;

(b) Articulation and preparation of the United Nations strategic, collective cooperation in support of national development results;

(c) That these priorities are defined through consultation with and leadership from national partners, with the involvement of United Nations organizations, including those which are non-resident, and other development partners;

(d) The ability to assess and account for the results and resources of the individual United Nations organizations participating in and contributing to the programme.

**Process and provisions for accountability**

5. At the national level, the existing process and accountability provisions will continue as before. As is currently the case with the UNDAF, national partners will be fully involved in and lead the consultative process for developing the Consolidated UNDAF. Non-resident agencies will also contribute to its formulation. This includes ongoing consultation in the preparation of the United Nations analysis of national development challenges, national capacity constraints and opportunities, lessons learned from past experience and priority areas and results for United Nations cooperation. Formal consultation will continue inter alia through the existing Joint Strategy Meetings to ensure coherence among the United Nations organizations in the framework of the Consolidated UNDAF and alignment with national priorities.

6. The draft sections of the Consolidated UNDAF will be developed by the Government, the Resident Coordinator and UNCT members prior to submission of the organization-specific components (Section C) to the respective Boards.

7. The UNDG regional quality support and assurance process — a collaborative, United Nations-wide process — will continue to provide collective inputs to and review of the process of Consolidated UNDAF preparation by UNCTs. In this review, the regions are accountable for ensuring that the results reflect progress towards the Millennium Development Goals and other global agreements, norms and standards.

## 2. Programme approval and implementation

8. Under the modified approach, governing body Members will continue to review, comment on and approve organization-specific planned results and resources for the respective programme of cooperation in a particular country. They will do so primarily by reviewing and approving Section C of the Consolidated UNDAF. In reviewing the individual organization's component, however, they would also refer to the draft Consolidated UNDAF itself, which will be posted in advance.

9. The overall aim of the review and approval process continues to be to ensure appropriate governing body review and approval of the respective United Nations organization's multi-year programme of cooperation in a given country, within the framework of the overall UNDAF, consistent with the multi-year funding framework or the multi-year strategic plan of the particular organization.

10. Under the modified approach, the full Consolidated UNDAF document would be signed by the Government, the Resident Coordinator and the UNCT members following approval by the respective Boards of the agency-specific Section C. In case one or more Boards suggest modifications in the respective Section C, these suggestions would be considered by the country-level partners and modifications

would be made to that Section and/or to other components of the Consolidated UNDAF, subject to the agreement of the Government.

11. In the exceptional case that an Executive Board does not approve an agency-specific Section C following the first review, the rest of the Consolidated UNDAF would proceed while further consultations on the agency-specific component were taking place. The agency would continue to cooperate in the country as a member of the UNCT on the basis of its earlier-approved programme, which the Board would be requested to extend for the required time, according to current procedures, if approval of the new programme was not secured in time for the commencement of the new harmonized programme cycle.

12. Under the modified approach, the Government and the UNCT will continue to be mutually accountable for monitoring progress towards UNDAF outcomes, and will follow the existing procedures, including an annual UNDAF review process with the participation of national implementing and cooperating partners and United Nations organizations. The progress made in implementing the UNDAF will form the basis of the annual report of the Resident Coordinator and UNCT. An UNDAF evaluation will normally be undertaken in the penultimate year of the programme cycle. The main outcomes and findings of the UNDAF evaluation will be reflected in the design of the UNDAF and agency-specific programmes for the next programme cycle.

13. The Regional Directors of the UNDG Executive Committee agencies will continue collectively to review the performance of the Resident Coordinators and their respective agency staff in terms of their implementation of the UNDAF. Individual organizations will continue to review the performance of their staff against the specific contributions for which that agency is responsible within the UNDAF. Additional efforts to enhance the mutual accountability within the UNCT and with the Resident Coordinator at country level will be developed.

14. As is currently the case, those organizations with a multi-year funding framework or strategic plan will report to their respective Board on the overall implementation of the organization's multi-year funding framework or strategic plan, incorporating results from programme cooperation in individual countries and at country level.

# Annex II

## Outline of contents of a Consolidated UNDAF

The purpose of this annex is to outline the contents of the Consolidated UNDAF. It draws on the existing formats and guidelines for each of the current individual documents (UNDAF, UNDAF Results Matrix, CPDs, CPAPs) and aims to avoid duplication while ensuring the core functions of each are reflected.

### Section A: The strategic role of the United Nations in support of national priorities

1. Situation analysis:

(a) Summary analysis of the major challenges relating to national priorities (drawing on the national development plan, poverty reduction strategy, CCA, national monitoring systems, state party reports to treaty bodies etc.), and national achievement towards the internationally agreed development goals and human rights commitments, including the Millennium Declaration and the Outcome Document of the 2005 World Summit;

(b) Assessment of national capacity gaps and opportunities;

(c) Application of the lessons learned and results achieved from the previous cycle of United Nations cooperation for the consolidated UNDAF.

2. United Nations strategic role:

(a) Narrative summary of the key priority outcomes that the United Nations system will contribute to, consistent with the situation analysis above, focusing on population groups of highest priority, and clearly outlining the link between those outcomes and national development priorities, goals, targets or commitments in each area of cooperation;

(b) Narrative summary of the specific results, especially the capacity development results, that the United Nations system expects to realize within the timeframe of the programme, and the indicative resources required for each outcome;

(c) Concise presentation of complementary and synergistic roles of United Nations organizations and partners in achieving each outcome, including identification of joint programmes as well as lead and main supporting United Nations organizations for each outcome and assignment of each output to a United Nations lead agency;

(d) Summary of monitoring and evaluation methods and tools.

### Section B: Consolidated UNDAF results and monitoring and evaluation matrix

The Consolidated UNDAF results and monitoring and evaluation matrix presents the key priority outcomes to which the United Nations system will contribute, and the expected outputs and resources for each outcome. The matrix outlines the coordination mechanisms and programme modalities, including joint programmes, and includes progress indicators, baselines, means and sources of verification, risks and assumptions. The matrix is outlined below:

**Consolidated UNDAF Results Matrix and Monitoring and Evaluation Matrix**

**National priority or goals:**

- to whose attainment the consolidated UNDAF outcome is expected to contribute. The selected national goals or targets should relate to specific Millennium Development Goals and/or other commitments, goals and targets of the Millennium Declaration and international conferences, summits, conventions and human rights instruments and monitoring mechanisms of the United Nations system.
- Ideally, the national priority or goal would be expressed as an expected and verifiable change in the lives of people.

**Outcome by the end of the programme cycle:**

- The Consolidated UNDAF outcome makes a clear contribution to the national effort to address the selected national priority or achieve the selected national goal or commitment.
- In most cases, the achievement of a Consolidated UNDAF outcome will require the collaborative effort of United Nations organizations, in partnership with other development partners.
- Typically, the Consolidated UNDAF outcome will be formulated as an expected change in national systems or capacities at different levels for achieving the national priority or goals, or as behavioural change. It may represent a contribution at either the national or subnational level.

| **Consolidated UNDAF outcomes and United Nations contributing agencies** | **Outputs** | **Role of partners** | **Resource mobilization targets** |
|---|---|---|---|
| Consolidated UNDAF outcome No. 1<br><br>Consolidated UNDAF outcomes describe the intended results and lists the individual agencies contributing to the outcome in both lead and supporting roles. | These refer to specific products or services resulting from development interventions. Outputs can be 'owned' by a specific agency. | Identifies lead and supporting partners and the role and contributions of national and international partners, to attain the relevant Consolidated UNDAF outcomes. | These are best available indicative estimates of the resources that agencies plan to raise and make available in support of the specific outcomes or outputs, broken down by regular and other resources. |
| Consolidated UNDAF outcome No. 2 ... etc. | -Outputs ... etc. | | |

**Coordination mechanisms and programme modalities:**

- Describing the coordination mechanisms among United Nations organizations and with other partners, which will be contributing to the consolidated UNDAF outcome (e.g., joint programmes, thematic groups, sector mechanisms)

| Consolidated UNDAF outcomes | Key indicator(s) and baselines | Means and sources of verification | Risks and assumptions |
|---|---|---|---|
| *Outcome 1*<br><br>**1.1 Contributing outputs** | Indicators<br>(output indicators only if available)<br><br>Baselines: | Means: e.g., surveys, evaluations, field visits, government reports, national statistical systems.<br><br>Sources<br>Institution/agencies/ partners responsible. | State risks and assumptions for each consolidated UNDAF and project outcome. |
| 1.2 Contributing - outputs | ... | ... | |

**Section C: Organization-specific contribution to the Consolidated UNDAF, including financial contributions**

See Annex III for format.

**Section D: Operational and legal provisions and clauses for United Nations operations in the country, including the fiduciary arrangements for individual organizations vis-à-vis the national Government**[2]

(a) The cooperation framework;

(b) Basis of relationship;

(c) Programme management (including cash transfer clauses, and supply/in-kind assistance clauses);

(d) monitoring and evaluation (including of use of funds, and supply/in-kind assistance clauses);

(e) Commitments of United Nations agencies;

(f) Commitments of the Government;

(g) Other provisions;

(h) Signatures by Government and United Nations agencies.

[2] Projects will be implemented through annual work plans and additional supporting documentation as required.

## Annex III

### Proposed format for Section C of the Consolidated UNDAF: Organization-specific contribution to the Consolidated UNDAF

| **Organization (Name) contribution to the Consolidated UNDAF in (country) and date of cycle** | | | | | |
|---|---|---|---|---|---|
| **National Goal/target:**<br>**MDG/Millennium Declaration target or other commitments:** | | | | | |
| **Intended Consolidated UNDAF outcome No. 1: extracted from Section B of the Consolidated UNDAF results matrix** | | | | | |
| **Organization-Specific Result (MYFF, MTSP ...)** | **Key outputs expected** | **Key progress indicators and baselines** | **Means of verification (including monitoring instruments and evaluations)** | **Major national United Nations and other partners, national frameworks, (indicate joint programmes)** | **Funding amounts and sources[3]** |
| | No. 1 | | | | Regular resources |
| | | | | | Other resources |
| | No. 2 | | | | Regular resources |
| | | | | | Other resources |
| | No. 3 | | | | Regular resources |
| | | | | | Other resources |

[3] Agencies define funding categories differently and the relevant categories will be applied in this matrix.

A 1-2 page summary note would accompany the organization-specific matrix and would include:

(a) a narrative summary of the relationship with the organizational strategic framework;

(b) a narrative summary of the relationship of organization-specific contributions to the Consolidated UNDAF outcomes and national results;

(c) a budget summary (by outcome and major output);

(d) specific monitoring and evaluation provisions.